



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2008
OF THE CONDITION AND AFFAIRS OF THE
Aetna Health Inc. (a Michigan corporation)

NAIC Group Code 0001 0001 NAIC Company Code 95756 Employer's ID Number 23-2861565
(Current Period) (Prior Period)
Organized under the Laws of Michigan State of Domicile or Port of Entry Michigan
Country of Domicile United States
Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
Other [] Is HMO Federally Qualified? Yes [] No [X]
Incorporated/Organized September 10, 1996 Commenced Business April 1, 1998
Statutory Home Office 28588 Northwestern Highway Southfield MI..... 48034
(Street and Number) (City, State and Zip Code)
Main Administrative Office 28588 Northwestern Highway
(Street and Number)
..... Southfield .. MI .. 48034 248-357-7766
(City, State and Zip Code) (Area Code) (Telephone Number)
Mail Address 28588 Northwestern Highway Southfield MI..... 48034
(Street and Number or P. O. Box) (City, State and Zip Code)
Primary Location of Books and Records 980 Jolly Road
(Street and Number)
..... Blue Bell PA 19422-1904 800-872-3862
(City, State and Zip Code) (Area Code) (Telephone Number)
Internet Website Address www.aetna.com
Statutory Statement Contact Alicia Helene Bolton 215-775-6508
(Name) (Area Code) (Telephone Number) (Extension)
..... Aetna.HMOReporting@aetna.com 215-775-6790
(E-mail Address) (Fax Number)

OFFICERS

Allan Ira Greenberg, President	OTHER	Burton Fred Vanderlaan, M.D., Senior Medical Director
Edward Chung-I Lee, Vice President and Secretary		Elaine Rose Cofrancesco, Treasurer
Alicia Helene Bolton, Principal Financial Officer and Controller		Gregory Stephen Martino, Vice President
		Kevin James Casey, Senior Investment Officer
		David William Braun, Assistant Controller

DIRECTORS OR TRUSTEES
Gregory Stephen Martino

Allan Ira Greenberg

Burton Fred Vanderlaan, M.D.

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)
Allan Ira Greenberg
President

State of..... Illinois
County of..... Cook
Subscribed and sworn to before me this
day of 2009

NOTARY PUBLIC (Seal)

(Signature)
Edward Chung-I Lee
Vice President and Secretary@

State of..... Connecticut
County of..... Hartford
@Subscribed and sworn to before me this
day of 2009

NOTARY PUBLIC (Seal)

(Signature)
Alicia Helene Bolton
Principal Financial Officer and Controller@@

State of..... Pennsylvania
County of..... Montgomery
@@Subscribed and sworn to before me this
day of February 2009

NOTARY PUBLIC (Seal)

- a. Is this an original filing? Yes [X] No []
b. If no: 1. State the amendment number...
2. Date filed
3. Number of pages attached

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,096,446	0	1,096,446	1,095,774
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....72,954, Sch. E-Part 1), cash equivalents (\$.....2,594,158, Sch. E-Part 2) and short-term investments (\$.....55,751, Sch. DA).....	2,722,863	0	2,722,863	5,261,717
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets (Schedule BA).....	0	0	0	0
8. Receivables for securities.....	0	0	0	0
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	3,819,309	0	3,819,309	6,357,491
11. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	17,666	0	17,666	17,676
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	0	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
13.3 Accrued retrospective premiums.....	0	0	0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	0	0	0	0
14.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
14.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
15. Amounts receivable relating to uninsured plans.....	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon.....	13,873	0	13,873	33,748
16.2 Net deferred tax asset.....	0	0	0	4,960
17. Guaranty funds receivable or on deposit.....	0	0	0	0
18. Electronic data processing equipment and software.....	0	0	0	0
19. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates.....	0	0	0	0
22. Health care (\$.....0) and other amounts receivable.....	0	0	0	2,239
23. Aggregate write-ins for other than invested assets.....	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	3,850,848	0	3,850,848	6,416,114
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	3,850,848	0	3,850,848	6,416,114

DETAILS OF WRITE-INS				
0901.	0	0	0	0
0902.	0	0	0	0
0903.	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301.	0	0	0	0
2302.	0	0	0	0
2303.	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0	0	0

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	8,148	252	8,400	315,131
2. Accrued medical incentive pool and bonus amounts.....	0	0	0	0
3. Unpaid claims adjustment expenses.....	192	0	192	5,375
4. Aggregate health policy reserves.....	0	0	0	30,040
5. Aggregate life policy reserves.....	0	0	0	0
6. Property/casualty unearned premium reserve.....	0	0	0	0
7. Aggregate health claim reserves.....	163	0	163	8,485
8. Premiums received in advance.....	0	0	0	9,204
9. General expenses due or accrued.....	15,951	0	15,951	244
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	0	0	0	0
10.2 Net deferred tax liability.....	5,583	0	5,583	0
11. Ceded reinsurance premiums payable.....	0	0	0	538
12. Amounts withheld or retained for the account of others.....	0	0	0	0
13. Remittances and items not allocated.....	26,876	0	26,876	0
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates.....	131,883	0	131,883	1,072,875
16. Payable for securities.....	0	0	0	0
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....	0	0	0	0
18. Reinsurance in unauthorized companies.....	0	0	0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0	0	0
20. Liability for amounts held under uninsured plans.....	0	0	0	0
21. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
22. Total liabilities (Lines 1 to 21).....	188,796	252	189,048	1,441,892
23. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
24. Common capital stock.....	XXX	XXX	10	10
25. Preferred capital stock.....	XXX	XXX	0	0
26. Gross paid in and contributed surplus.....	XXX	XXX	8,599,990	10,099,990
27. Surplus notes.....	XXX	XXX	0	0
28. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
29. Unassigned funds (surplus).....	XXX	XXX	(4,938,200)	(5,125,778)
30. Less treasury stock at cost:				
30.1 .....0.000 shares common (value included in Line 24 \$.....0).....	XXX	XXX	0	0
30.2 .....0.000 shares preferred (value included in Line 25 \$.....0).....	XXX	XXX	0	0
31. Total capital and surplus (Lines 23 to 29 minus Line 30).....	XXX	XXX	3,661,800	4,974,222
32. Total liabilities, capital and surplus (Lines 22 and 31).....	XXX	XXX	3,850,848	6,416,114

DETAILS OF WRITE-INS

2101.	0	0	0	0
2102.	0	0	0	0
2103.	0	0	0	0
2198. Summary of remaining write-ins for Line 21 from overflow page.....	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above).....	0	0	0	0
2301.	XXX	XXX	0	0
2302.	XXX	XXX	0	0
2303.	XXX	XXX	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	XXX	XXX	0	0
2801.	XXX	XXX	0	0
2802.	XXX	XXX	0	0
2803.	XXX	XXX	0	0
2898. Summary of remaining write-ins for Line 28 from overflow page.....	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above).....	XXX	XXX	0	0

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	.....3	.....12,694
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	.....(19,898)	.....3,520,525
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	.....0	.....835
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....	.....0	.....0
5. Risk revenue.....	XXX.....	.....0	.....0
6. Aggregate write-ins for other health care related revenues.....	XXX.....	.....0	.....0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	.....0	.....0
8. Total revenues (Lines 2 to 7).....	XXX.....	.....(19,898)	.....3,521,360
Hospital and Medical:			
9. Hospital/medical benefits.....	.....0	.....(76,922)	.....2,618,825
10. Other professional services.....	.....0	.....0	.....48
11. Outside referrals.....	.....50	.....50	.....49,327
12. Emergency room and out-of-area.....	.....88	.....2,922	.....230,281
13. Prescription drugs.....	.....0	.....(9,820)	.....516,489
14. Aggregate write-ins for other hospital and medical.....	.....0	.....0	.....0
15. Incentive pool, withhold adjustments and bonus amounts.....	.....0	.....0	.....0
16. Subtotal (Lines 9 to 15).....	.....138	.....(83,770)	.....3,414,970
Less:			
17. Net reinsurance recoveries.....	.....0	.....0	.....0
18. Total hospital and medical (Lines 16 minus 17).....	.....138	.....(83,770)	.....3,414,970
19. Non-health claims (net).....	.....0	.....0	.....0
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....	.....0	.....0	.....71,714
21. General administrative expenses.....	.....0	.....56,239	.....621,417
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....	.....0	.....(30,040)	.....(256,869)
23. Total underwriting deductions (Lines 18 through 22).....	.....138	.....(57,571)	.....3,851,232
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	.....37,673	.....(329,872)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	.....0	.....230,179	.....563,604
26. Net realized capital gains or (losses) less capital gains tax of \$....4.....	.....0	.....19	.....(72)
27. Net investment gains or (losses) (Lines 25 plus 26).....	.....0	.....230,198	.....563,532
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	.....0	.....0	.....0
29. Aggregate write-ins for other income or expenses.....	.....0	.....0	.....0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	.....267,871	.....233,660
31. Federal and foreign income taxes incurred.....	XXX.....	.....4,677	.....(15,379)
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	.....263,194	.....249,039

DETAILS OF WRITE-INS			
0601.	XXX.....	.....0	.....0
0602.	XXX.....	.....0	.....0
0603.	XXX.....	.....0	.....0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	.....0	.....0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	.....0	.....0
0701.	XXX.....	.....0	.....0
0702.	XXX.....	.....0	.....0
0703.	XXX.....	.....0	.....0
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	.....0	.....0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	.....0	.....0
1401. ....	.....0	.....0	.....0
1402. ....	.....0	.....0	.....0
1403. ....	.....0	.....0	.....0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.....0	.....0	.....0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	.....0	.....0	.....0
2901. ....	.....0	.....0	.....0
2902. ....	.....0	.....0	.....0
2903. ....	.....0	.....0	.....0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.....0	.....0	.....0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	.....0	.....0	.....0

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	4,974,222	4,806,389
34. Net income or (loss) from Line 32.....	263,194	249,039
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....	0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0
38. Change in net deferred income tax.....	(10,543)	(101,390)
39. Change in nonadmitted assets.....	8,227	20,184
40. Change in unauthorized reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....	0	0
44. Capital changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in.....	(1,500,000)	0
45.2 Transferred to capital (Stock Dividend).....	0	0
45.3 Transferred from capital.....	0	0
46. Dividends to stockholders.....	0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	(73,300)	0
48. Net change in capital and surplus (Lines 34 to 47).....	(1,312,422)	167,833
49. Capital and surplus end of reporting period (Line 33 plus 48).....	3,661,800	4,974,222

DETAILS OF WRITE-INS		
4701. Correction of prior period federal income tax expense.....	38,675	0
4702. Correction of error- current federal taxes.....	(1,475)	0
4703. Correction of prior period hospital and medical expense.....	(110,500)	0
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	(73,300)	0

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	(21,413)	3,430,986
2. Net investment income.....	229,517	563,243
3. Miscellaneous income.....	0	0
4. Total (Lines 1 through 3).....	208,104	3,994,229
5. Benefit and loss related payments.....	339,544	3,625,335
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	45,715	699,646
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(52,394)	(12,016)
10. Total (Lines 5 through 9).....	332,865	4,312,965
11. Net cash from operations (Line 4 minus Line 10).....	(124,761)	(318,736)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	0	0
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	23	(109)
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	23	(109)
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	0	0
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	23	(109)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(1,500,000)	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	(914,116)	(777,775)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(2,414,116)	(777,775)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(2,538,854)	(1,096,620)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	5,261,717	6,358,337
19.2 End of year (Line 18 plus Line 19.1).....	2,722,863	5,261,717
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001	0	0

Statement as of December 31, 2008 of the **Aetna Health Inc. (a Michigan corporation)**
ANALYSIS OF OPERATION BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plans	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income.....	(19,898)	(19,898)	0	0	0	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit.....	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$.....0 medical expenses).....	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue.....	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues.....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6).....	(19,898)	(19,898)	0	0	0	0	0	0	0	0
8. Hospital/medical benefits.....	(76,922)	(76,922)	0	0	0	0	0	0	0	XXX
9. Other professional services.....	0	0	0	0	0	0	0	0	0	XXX
10. Outside referrals.....	50	50	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area.....	2,922	2,922	0	0	0	0	0	0	0	XXX
12. Prescription drugs.....	(9,820)	(9,820)	0	0	0	0	0	0	0	XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	0	0	0	0	0	0	0	0	0	XXX
15. Subtotal (Lines 8 to 14).....	(83,770)	(83,770)	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries.....	0	0	0	0	0	0	0	0	0	XXX
17. Total hospital and medical (Lines 15 minus 16).....	(83,770)	(83,770)	0	0	0	0	0	0	0	XXX
18. Non-health claims (net).....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$.....,0 cost containment expenses.....	0	0	0	0	0	0	0	0	0	0
20. General administrative expenses.....	56,239	56,239	0	0	0	0	0	0	0	0
21. Increase in reserves for accident and health contracts.....	(30,040)	(30,040)	0	0	0	0	0	0	0	XXX
22. Increase in reserve for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22).....	(57,571)	(57,571)	0	0	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	37,673	37,673	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS

[illegible]

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....	(19,898)	0	0	(19,898)
2.	Medicare supplement.....	0	0	0	0
3.	Dental only.....	0	0	0	0
4.	Vision only.....	0	0	0	0
5.	Federal employees health benefits plan.....	0	0	0	0
6.	Title XVIII - Medicare.....	0	0	0	0
7.	Title XIX - Medicaid.....	0	0	0	0
8.	Other health.....	0	0	0	0
9.	Health subtotal (Lines 1 through 8).....	(19,898)	0	0	(19,898)
10.	Life.....	0	0	0	0
11.	Property/casualty.....	0	0	0	0
12.	Totals (Lines 9 to 11).....	(19,898)	0	0	(19,898)

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	229,044	229,044	.0	.0	.0	.0	.0	.0	.0	.0
1.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net.....	229,044	229,044	.0	.0	.0	.0	.0	.0	.0	.0
2. Paid medical incentive pools and bonuses.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	8,400	8,400	.0	.0	.0	.0	.0	.0	.0	.0
3.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net.....	8,400	8,400	.0	.0	.0	.0	.0	.0	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	163	163	.0	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net.....	163	163	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Net healthcare receivables (a).....	(2,239)	(2,239)	.0	.0	.0	.0	.0	.0	.0	.0
7. Amounts recoverable from reinsurers December 31, current year.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	315,131	315,131	.0	.0	.0	.0	.0	.0	.0	.0
8.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net.....	315,131	315,131	.0	.0	.0	.0	.0	.0	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	8,485	8,485	.0	.0	.0	.0	.0	.0	.0	.0
9.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net.....	8,485	8,485	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
11. Amounts recoverable from reinsurers December 31, prior year.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Incurred benefits:										
12.1 Direct.....	(83,770)	(83,770)	.0	.0	.0	.0	.0	.0	.0	.0
12.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.4 Net.....	(83,770)	(83,770)	.0	.0	.0	.0	.0	.0	.0	.0
13. Incurred medical incentive pools and bonuses.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Excludes \$.0 loans or advances to providers not yet expensed.

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	.691	.691	.0	.0	.0	.0	.0	.0	.0	.0
1.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net.....	.691	.691	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but unreported:										
2.1 Direct.....	7,709	7,709	.0	.0	.0	.0	.0	.0	.0	.0
2.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Net.....	7,709	7,709	.0	.0	.0	.0	.0	.0	.0	.0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Totals:										
4.1 Direct.....	8,400	8,400	.0	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net.....	8,400	8,400	.0	.0	.0	.0	.0	.0	.0	.0

Statement as of December 31, 2008 of the **Aetna Health Inc. (a Michigan corporation)**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	229,044	0	8,563	0	237,607	323,616
2. Medicare supplement.....	0	0	0	0	0	0
3. Dental only.....	0	0	0	0	0	0
4. Vision only.....	0	0	0	0	0	0
5. Federal employees health benefits plan.....	0	0	0	0	0	0
6. Title XVIII - Medicare.....	0	0	0	0	0	0
7. Title XIX - Medicaid.....	0	0	0	0	0	0
8. Other health.....	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8).....	229,044	0	8,563	0	237,607	323,616
10. Healthcare receivables (a).....	0	0	0	0	0	2,239
11. Other non-health.....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts.....	0	0	0	0	0	0
13. Totals (Lines 9 - 10 + 11 + 12).....	229,044	0	8,563	0	237,607	321,377

(a) Excludes \$.00 loans or advances to providers not yet expensed.

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	1,151	1,203	1,198	1,195	1,195
2. 2004.....	6,297	7,324	7,312	7,312	7,315
3. 2005.....	.XXX	6,047	6,602	6,607	6,609
4. 2006.....	.XXX	.XXX	4,389	4,744	4,773
5. 2007.....	.XXX	.XXX	.XXX	3,266	3,461
6. 2008.....	.XXX	.XXX	.XXX	.XXX	0

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	1,287	1,233	1,202	1,195	1,195
2. 2004.....	7,291	7,365	7,319	7,315	7,315
3. 2005.....	.XXX	6,730	6,616	6,614	6,611
4. 2006.....	.XXX	.XXX	4,902	4,756	4,775
5. 2007.....	.XXX	.XXX	.XXX	3,569	3,466
6. 2008.....	.XXX	.XXX	.XXX	.XXX	0

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	9,403	7,315	199	2.7	7,514	79.9	0	0	7,514	79.9
2. 2005.....	7,835	6,609	147	2.2	6,756	86.2	2	0	6,758	86.3
3. 2006.....	6,135	4,773	110	2.3	4,883	79.6	2	0	4,885	79.6
4. 2007.....	3,521	3,461	76	2.2	3,537	100.5	5	0	3,542	100.6
5. 2008.....	(20)	0	0	0.0	0	0.0	0	0	0	0.0

Statement as of December 31, 2008 of the **Aetna Health Inc. (a Michigan corporation)**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	1,151	1,203	1,198	1,195	1,195
2. 2004.....	6,297	7,324	7,312	7,312	7,315
3. 2005.....	.XXX	6,047	6,602	6,607	6,609
4. 2006.....	.XXX	.XXX	4,389	4,744	4,773
5. 2007.....	.XXX	.XXX	.XXX	3,266	3,461
6. 2008.....	.XXX	.XXX	.XXX	.XXX	0

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	1,287	1,233	1,202	1,195	1,195
2. 2004.....	7,291	7,365	7,319	7,315	7,315
3. 2005.....	.XXX	6,730	6,616	6,614	6,611
4. 2006.....	.XXX	.XXX	4,902	4,756	4,775
5. 2007.....	.XXX	.XXX	.XXX	3,569	3,466
6. 2008.....	.XXX	.XXX	.XXX	.XXX	0

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	9,403	7,315	199	2.7	7,514	79.9	0	0	7,514	79.9
2. 2005.....	7,835	6,609	147	2.2	6,756	86.2	2	0	6,758	86.3
3. 2006.....	6,135	4,773	110	2.3	4,883	79.6	2	0	4,885	79.6
4. 2007.....	3,521	3,461	76	2.2	3,537	100.5	5	0	3,542	100.6
5. 2008.....	(20)	0	0	0.0	0	0.0	0	0	0	0.0

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicaid
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicaid
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicaid
NONE**

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	0	0	0	0	0
2. 2004.....	0	0	0	0	0
3. 2005.....	.XXX	0	0	0	0
4. 2006.....	.XXX	XXX	0	0	0
5. 2007.....	.XXX	XXX	.XXX	0	0
6. 2008.....	.XXX	XXX	.XXX	XXX	0

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	0	0	0	0	0
2. 2004.....	0	0	0	0	0
3. 2005.....	.XXX	0	0	0	0
4. 2006.....	.XXX	XXX	0	0	0
5. 2007.....	.XXX	XXX	.XXX	0	0
6. 2008.....	.XXX	XXX	.XXX	XXX	0

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2005.....	0	0	0	0	0	0.0	0	0	0	0.0
3. 2006.....	0	0	0	0	0	0.0	0	0	0	0.0
4. 2007.....	0	0	0	0	0	0.0	0	0	0	0.0
5. 2008.....	0	0	0	0	0	0.0	0	0	0	0.0

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
2. Additional policy reserves (a).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
3. Reserve for future contingent benefits.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5. Aggregate write-ins for other policy reserves.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6. Totals (gross).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7. Reinsurance ceded.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8. Totals (net) (Page 3, Line 4).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
CLAIM RESERVE									
9. Present value of amounts not yet due on claims.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
10. Reserve for future contingent benefits.....	.....163	.....163	.....0	.....0	.....0	.....0	.....0	.....0	.....0
11. Aggregate write-ins for other claim reserves.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
12. Totals (gross).....	.....163	.....163	.....0	.....0	.....0	.....0	.....0	.....0	.....0
13. Reinsurance ceded.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
14. Totals (net) (Page 3, Line 7).....	.....163	.....163	.....0	.....0	.....0	.....0	.....0	.....0	.....0
DETAILS OF WRITE-INS									
0501. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0502. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0503. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1101. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1102. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1103. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

(a) Includes \$.....0 premium deficiency reserve.

Statement as of December 31, 2008 of the **Aetna Health Inc. (a Michigan corporation)**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
			General Administrative Expenses	Investment Expenses	Total
1. Rent (\$.....0 for occupancy of own building).....	0	0	0	71	71
2. Salaries, wages and other benefits.....	0	0	0	2,333	2,333
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....	0	0	0	0	0
4. Legal fees and expenses.....	0	0	0	109	109
5. Certifications and accreditation fees.....	0	0	0	0	0
6. Auditing, actuarial and other consulting services.....	0	0	0	0	0
7. Traveling expenses.....	0	0	0	68	68
8. Marketing and advertising.....	0	0	0	0	0
9. Postage, express and telephone.....	0	0	40	162	202
10. Printing and office supplies.....	0	0	539	75	614
11. Occupancy, depreciation and amortization.....	0	0	1,462	0	1,462
12. Equipment.....	0	0	0	158	158
13. Cost or depreciation of EDP equipment and software.....	0	0	0	0	0
14. Outsourced services including EDP, claims, and other services.....	0	0	0	507	507
15. Boards, bureaus and association fees.....	0	0	0	4	4
16. Insurance, except on real estate.....	0	0	0	0	0
17. Collection and bank service charges.....	0	0	0	15	15
18. Group service and administration fees.....	0	0	0	0	0
19. Reimbursements by uninsured plans.....	0	0	0	0	0
20. Reimbursements from fiscal intermediaries.....	0	0	0	0	0
21. Real estate expenses.....	0	0	0	83	83
22. Real estate taxes.....	0	0	0	0	0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....	0	0	761	0	761
23.2 State premium taxes.....	0	0	0	0	0
23.3 Regulator authority licenses and fees.....	0	0	0	0	0
23.4 Payroll taxes.....	0	0	0	173	173
23.5 Other (excluding federal income and real estate taxes).....	0	0	7,714	0	7,714
24. Investment expenses not included elsewhere.....	0	0	0	0	0
25. Aggregate write-ins for expenses.....	0	0	45,723	0	45,723
26. Total expenses incurred (Lines 1 to 25).....	0	0	56,239	3,758	(a).....59,997
27. Less expenses unpaid December 31, current year.....	0	192	15,951	0	16,143
28. Add expenses unpaid December 31, prior year.....	1,847	3,528	244	0	5,619
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....	0	0	0	0	0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	1,847	3,336	40,532	3,758	49,473

DETAILS OF WRITE-INS

2501. Intercompany Interest Expense.....	0	0	54,426	0	54,426
2502. Miscellaneous expense.....	0	0	(8,703)	0	(8,703)
2503.	0	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	45,723	0	45,723

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....47,422	.....47,422
1.1 Bonds exempt from U.S. tax.....	(a)......0	......0
1.2 Other bonds (unaffiliated).....	(a)......0	......0
1.3 Bonds of affiliates.....	(a)......0	......0
2.1 Preferred stocks (unaffiliated).....	(b)......0	......0
2.11 Preferred stocks of affiliates.....	(b)......0	......0
2.2 Common stocks (unaffiliated).....	......0	......0
2.21 Common stocks of affiliates.....	......0	......0
3. Mortgage loans.....	(c)......0	......0
4. Real estate.....	(d)......0	......0
5. Contract loans.....	......0	......0
6. Cash, cash equivalents and short-term investments.....	(e).....186,525	.....186,515
7. Derivative instruments.....	(f)......0	......0
8. Other invested assets.....	......0	......0
9. Aggregate write-ins for investment income.....	......0	......0
10. Total gross investment income.....	.....233,947	.....233,937
11. Investment expenses.....		(g).....3,585
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....173
13. Interest expense.....		(h)......0
14. Depreciation on real estate and other invested assets.....		(i)......0
15. Aggregate write-ins for deductions from investment income.....		......0
16. Total deductions (Lines 11 through 15).....		.....3,758
17. Net investment income (Line 10 minus Line 16).....		.....230,179

DETAILS OF WRITE-INS

0901. ....	......0	......0
0902. ....	......0	......0
0903. ....	......0	......0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	......0	......0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	......0	......0
1501. ....		......0
1502. ....		......0
1503. ....		......0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		......0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		......0
(a) Includes \$.672 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued interest on purchases.		
(b) Includes \$.0 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued dividends on purchases.		
(c) Includes \$.0 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued interest on purchases.		
(d) Includes \$.0 for company's occupancy of its own buildings; and excludes \$.0 interest on encumbrances.		
(e) Includes \$.186,178 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued interest on purchases.		
(f) Includes \$.0 accrual of discount less \$.0 amortization of premium.		
(g) Includes \$.0 investment expenses and \$.0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.		
(h) Includes \$.0 interest on surplus notes and \$.0 interest on capital notes.		
(i) Includes \$.0 depreciation on real estate and \$.0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	......0	......0	......0	......0	......0
1.1 Bonds exempt from U.S. tax.....	......0	......0	......0	......0	......0
1.2 Other bonds (unaffiliated).....	......0	......0	......0	......0	......0
1.3 Bonds of affiliates.....	......0	......0	......0	......0	......0
2.1 Preferred stocks (unaffiliated).....	......0	......0	......0	......0	......0
2.11 Preferred stocks of affiliates.....	......0	......0	......0	......0	......0
2.2 Common stocks (unaffiliated).....	......0	......0	......0	......0	......0
2.21 Common stocks of affiliates.....	......0	......0	......0	......0	......0
3. Mortgage loans.....	......0	......0	......0	......0	......0
4. Real estate.....	......0	......0	......0	......0	......0
5. Contract loans.....	......0	......0	......0	......0	......0
6. Cash, cash equivalents and short-term investments.....	.....23	......0	.....23	......0	......0
7. Derivative instruments.....	......0	......0	......0	......0	......0
8. Other invested assets.....	......0	......0	......0	......0	......0
9. Aggregate write-ins for capital gains (losses).....	......0	......0	......0	......0	......0
10. Total capital gains (losses).....	.....23	......0	.....23	......0	......0

DETAILS OF WRITE-INS

0901. ....	......0	......0	......0	......0	......0
0902. ....	......0	......0	......0	......0	......0
0903. ....	......0	......0	......0	......0	......0
0998. Summary of remaining write-ins for Line 9 from overflow page....	......0	......0	......0	......0	......0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	......0	......0	......0	......0	......0

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	.....0	.....0	.....0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	.....0	.....0	.....0
2.2 Common stocks.....	.....0	.....0	.....0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	.....0	.....0	.....0
3.2 Other than first liens.....	.....0	.....0	.....0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	.....0	.....0	.....0
4.2 Properties held for the production of income.....	.....0	.....0	.....0
4.3 Properties held for sale.....	.....0	.....0	.....0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	.....0	.....0	.....0
6. Contract loans.....	.....0	.....0	.....0
7. Other invested assets (Schedule BA).....	.....0	.....0	.....0
8. Receivables for securities.....	.....0	.....0	.....0
9. Aggregate write-ins for invested assets.....	.....0	.....0	.....0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	.....0	.....0	.....0
11. Title plants (for Title insurers only).....	.....0	.....0	.....0
12. Investment income due and accrued.....	.....0	.....0	.....0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....	.....0	.....8,227	.....8,227
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	.....0	.....0	.....0
13.3 Accrued retrospective premiums.....	.....0	.....0	.....0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers.....	.....0	.....0	.....0
14.2 Funds held by or deposited with reinsured companies.....	.....0	.....0	.....0
14.3 Other amounts receivable under reinsurance contracts.....	.....0	.....0	.....0
15. Amounts receivable relating to uninsured plans.....	.....0	.....0	.....0
16.1 Current federal and foreign income tax recoverable and interest thereon.....	.....0	.....0	.....0
16.2 Net deferred tax asset.....	.....0	.....0	.....0
17. Guaranty funds receivable or on deposit.....	.....0	.....0	.....0
18. Electronic data processing equipment and software.....	.....0	.....0	.....0
19. Furniture and equipment, including health care delivery assets.....	.....0	.....0	.....0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	.....0	.....0	.....0
21. Receivables from parent, subsidiaries and affiliates.....	.....0	.....0	.....0
22. Health care and other amounts receivable.....	.....0	.....0	.....0
23. Aggregate write-ins for other than invested assets.....	.....0	.....0	.....0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	.....0	.....8,227	.....8,227
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....0	.....0	.....0
26. TOTALS (Lines 24 and 25).....	.....0	.....8,227	.....8,227

DETAILS OF WRITE-INS			
0901. ....	.....0	.....0	.....0
0902. ....	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0
2301. ....	.....0	.....0	.....0
2302. ....	.....0	.....0	.....0
2303. ....	.....0	.....0	.....0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.....0	.....0	.....0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	.....0	.....0	.....0

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	768	1	0	0	0	3
2. Provider service organizations.....	0	0	0	0	0	0
3. Preferred provider organizations.....	0	0	0	0	0	0
4. Point of service.....	0	0	0	0	0	0
5. Indemnity only.....	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	768	1	0	0	0	3

DETAILS OF WRITE-INS

0601.	0	0	0	0	0	0
0602.	0	0	0	0	0	0
0603.	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

Accounting practices

The accompanying statutory financial statements of Aetna Health Inc. (a Michigan corporation) (the "Company"), indirectly a wholly-owned subsidiary of Aetna Inc. ("Aetna"), have been prepared in conformity with accounting practices prescribed or permitted by the Michigan Office of Financial and Insurance Services ("Michigan Department") ("Michigan Accounting Practices"). The Michigan Department recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures* Manual ("NAIC SAP"). The Company's net income and capital and surplus as stated on a NAIC SAP basis and on the basis of practices prescribed or permitted by the State of Michigan were the same as of and for the years December 31, 2008 and 2007.

The Michigan Accounting Practices prescribed vary from U.S. generally accepted accounting principles ("GAAP"). The primary differences include:

- Certain assets, designated as nonadmitted assets (in part premium funds receivable which are recorded in accordance with Statements of Statutory Accounting Principles ("SSAP") No. 6, *Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers*) are not recorded as assets, but are charged to surplus. Thus, nonadmitting premium funds receivable eliminates the need for a separate allowance for doubtful accounts which is utilized under GAAP;
- Bonds are recorded at amortized cost except for those with an NAIC designation of 3 through 6, which are reported at the lower of amortized cost or fair value. Therefore, changes in unrealized gains and losses are not reflected in the financial statements. Under GAAP, bonds classified as available for sale are recorded at fair value, and related changes in unrealized gains and losses are recorded as a component of equity, net of deferred federal income taxes; and
- Deferred tax assets and liabilities are determined and admitted in accordance with SSAP No. 10, *Income Taxes*. Under GAAP, such assets and liabilities are determined under Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*. Changes in net deferred tax assets and liabilities are reflected as changes in surplus. Under GAAP, such changes are reflected in net income.

Use of estimates in the preparation of the financial statements

The preparation of these financial statements in conformity with Michigan Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses. Actual results could differ from those estimates.

Significant accounting policies

The Company applies the following significant accounting policies:

Cash, cash equivalents and short-term investments

Cash and cash equivalents include all highly liquid instruments readily convertible to cash with a maturity of three months or less from the date of purchase. Short-term investments primarily consist of investments purchased with an original maturity of one year or less. The carrying amounts of cash and cash equivalents and short-term investments reported in the accompanying Statutory Statements of Assets approximate fair value.

Bonds

Bonds, which include special deposits, are carried at amortized cost except for those bonds with a an NAIC designation of 3 through 6 which are reported at the lower of amortized cost or fair value. Bond premiums and discounts are amortized using the scientific interest method. Fair values of bonds are determined based on quoted market prices, when available, market prices provided by a third party vendor (including matrix pricing) or dealer quotes. Bonds include all investments whose maturity is greater than one year when purchased.

The Company regularly reviews its portfolio of bonds to determine whether a decline in fair value below the cost basis is other-than-temporary. If a decline in fair value is considered other-than-temporary, the cost basis of the security is written-down, and the amount of the write-down is included on the Statutory Statements of Revenue and Expenses as a realized capital loss. Other-than-temporary impairments are recognized based on an analysis of whether the decline in fair value results from a change in the quality of the investment security itself. For unrealized losses deemed to be the result of market conditions (for example, increasing interest rates and volatility due to conditions in the overall market rather than specific credit quality concerns), the Company records an other-than-temporary impairment if it has the current intention to sell the investment before recovery of the cost of the investment at the financial statement date.

Securities lending

The Company engages in securities lending by lending certain debt securities from its investment portfolio to other institutions for short periods of time. The Company requires collateral from borrowers, primarily cash in the amount of at least 102% of the fair value of the loaned security. The fair value of the loaned securities are monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loan securities fluctuate. The collateral is retained and invested by a lending agent according to the Company's guidelines to generate additional investment income for the Company.

At December 31, 2008, the Company had loaned securities (which were reflected as bonds on the Statutory Statements of Assets) with a fair value of approximately \$1,250,000. At December 31, 2007, the Company had no loaned securities.

Premiums and amounts due and unpaid

Premium revenue for prepaid health care products are recognized as income in the month in which enrollees are entitled to health care services. Premiums collected before the effective period are reported as premiums received in advance. Premiums related to unexpired contractual coverage periods are reported as unearned premiums on the Statutory Statements of Liabilities, Capital and Surplus (refer to discussion of aggregate health policy reserves and related expenses below).

Nonadmitted amounts consist of all premiums due and unpaid greater than 90 days past due, with the exception of amounts due under government insured plans, which may be admitted assets under certain circumstances. In addition, for any customer for which the premiums due and unpaid are greater than 90 days past due is more than a de minimus portion of the entire balance of premiums due and unpaid for that customer, the entire balance of premiums due and unpaid for that customer is nonadmitted. Management also performs a specific review of accounts and based on the results of the review, additional amounts may be nonadmitted. Uncollectible amounts are generally written-off and charged to revenue in the period in which the customer reconciliations are completed and agreed to by the customer (retroactivity) or when the account is determined to be uncollectible by the Company.

Pharmaceutical rebate receivables

The Company estimates pharmaceutical rebates receivable based upon the historical payment trends, actual utilization and other variables. Pharmaceutical rebates for a quarter are billed to the vendor within one month of the completion of the quarter with any adjustment to previously recorded amounts reflected at the time of billing. The Company reports pharmaceutical rebates receivable as health care receivables. Pharmacy rebates over 90 days past due are nonadmitted. All rebates are processed and settled with an affiliated entity.

Hospital and medical costs and claims adjustment expenses and related reserves

Hospital and medical costs consist principally of fee-for-service medical claims and capitation costs. Claims unpaid include the Company's estimate of payments to be made on claims reported but not yet paid and for health care services rendered to enrollees but not yet reported to the Company as of the Statutory Statements of Assets, Liabilities, Capital and Surplus date. Such estimates are developed using actuarial principles and assumptions which consider, among other things, historical and projected claim submission and processing patterns, medical cost trends, historical utilization of health care services, claim inventory levels, changes in membership and product mix, seasonality and other relevant factors. The Company reflects changes in estimates in hospital and medical costs in the Statutory Statements of Revenues and Expenses in the period they are determined. Capitation costs, which are recorded in hospital and medical expenses on the Statutory Statements of Revenue and Expenses, represent contractual monthly fees paid to participating physicians and other medical providers for providing medical care, regardless of the medical services provided to the enrollee.

The Company uses the triangulation method to estimate reserves for claims incurred but not reported. The method of triangulation makes estimates of completion factors which are then applied to the total paid claims (net of coordination of benefits) to date for each incurral month. This provides an estimate of the total projected incurred claims and total amount outstanding or claims incurred but not reported (claims unpaid). For the most current dates of service where there is insufficient paid claim data to rely solely on the triangulation method, the Company examines cost and utilization trends as well as environmental factors, plan changes, provider contracts, changes in membership and/or benefits, and historical seasonal patterns to estimate the reserve required for these months.

Claims adjustment expenses represent the costs incurred related to the claim settlement process such as costs to record, process and adjust claims. These expenses, which are included in the Company's management agreement with an affiliate described in Note 10, are calculated using a percentage of current hospital and medical costs, which is based on historical cost experience.

Aggregate health policy reserves and related expenses

The Company offers individual conversion policies to individuals that were previously covered by a qualifying group policy. These policies are generally renewable at the option of the policyholder and statutory regulations preclude the Company from canceling coverages and may limit premium rate increases. The Company has established an individual conversion reserve ("ICR") for such policies. The ICR represents the estimated net present value of future benefits to be paid to or on behalf of policyholders and related expenses less the estimated present value of future net premiums. The Company estimates its ICR using actuarial principles and assumptions which consider, among other things, contractual requirements, future premium increases, discount rates, historical utilization trends and payment patterns, persistency of membership and other relevant factors based on the Company's experience. ICR expenses are recorded as an increase in reserves for life and accident and health contracts. The Company had no ICR at December 31, 2008. The ICR balance \$30,040 was included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2007.

Premium deficiency reserves ("PDR") are recognized when it is probable that the expected future hospital and medical costs, including maintenance costs, will exceed anticipated future premiums and reinsurance recoveries on existing contracts. Anticipated investment income is considered in the calculation of any PDR. For purposes of calculating a PDR, contracts are grouped in manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. The Company had no PDR at December 31, 2008 and 2007.

Unearned premium reserves ("UEP") are recognized for premiums that are recorded by the Company that have not been earned as of the statement date. The Company had no UEP at December 31, 2008 and 2007.

Aggregate health claim reserves

The reserve for future contingent benefits includes the estimated cost of services which will continue to be incurred after the Statutory Statements of Liabilities, Capital and Surplus date if the Company is obligated to pay for such services in accordance with contract provisions or regulatory requirements. These balances are recorded in aggregate health claim reserves on the Statutory Statements of Liabilities, Capital and Surplus and are estimated using a percentage of current hospital and medical costs, which is based on the Company's historical cost experience.

Covered and uncovered expenses and related liabilities

Covered expenses and related liabilities represent costs for health care expenses for which a member is not responsible in the event of the insolvency of the Company. Uncovered expenses and related liabilities represent costs to the Company for health care services that are the obligation of the Company and for which a member may also be liable in the event of the Company's insolvency.

Federal, state and premium taxes

In accordance with a written tax sharing agreement with an affiliate, the Company's current Federal income tax provisions are generally computed as if the Company were filing a separate Federal income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup Federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to Federal income taxes.

Deferred income tax assets and liabilities represent the expected future tax consequences of temporary differences generated in the application of Michigan Accounting Practices. Deferred income tax assets and liabilities are computed by means of identifying temporary differences which are measured using a Statutory Statements of Assets, Liabilities, Capital and Surplus approach whereby the statutory and tax basis Statutory Statements of Assets, Liabilities, Capital and Surplus are compared. Current income tax recoverables include all current income taxes, and related interest reasonably expected to be recovered in a subsequent accounting period.

Deferred income tax assets are admitted in an amount equal to the sum of (1) previously paid Federal income taxes which are expected to be recovered through loss carrybacks for existing temporary differences which reverse within a year and (2) the lesser of the amount of gross deferred tax assets expected to be realized within one year of the Statutory Statements of Assets, Liabilities, Capital and Surplus date, or ten percent of statutory capital and surplus and (3) the amount of gross deferred tax assets, after the application of (1) and (2), that can be offset against existing gross deferred tax liabilities. In accordance with Michigan Accounting Practices, deferred tax assets can only be admitted through loss carrybacks to the extent that the Company paid or was allocated taxes as a separate legal entity. In addition, deferred tax assets that the Company expects to realize within one year of the Statutory Statements of Assets, Liabilities, Capital and Surplus date on a separate legal entity basis cannot be admitted if the Company projects a tax loss, even if the loss could offset taxable income of other members in the consolidated group.

Changes in deferred tax assets and deferred tax liabilities are recognized as a separate component of gains and losses in surplus except to the extent allocated to changes in unrealized gains and losses. Changes in deferred tax assets and liabilities allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as net unrealized capital gains and losses, also a separate component of gains and losses in surplus.

2. Accounting changes and corrections of errors

Under an administrative services agreement with an affiliate, administrative costs allocated to the Company each year are subject to an annual true-up mechanism. Under the agreement, this true-up is due to be settled with the affiliate by April 15th of the following contract year (which is January 1 to December 31 annually). Prior to the 2007 contract year, the true-up was not estimable by the Company or its affiliate until the quarter in which the true-up was settled with the affiliate. During 2007, based on experience acquired in prior years, improved insight and judgment, the Company and its affiliate have developed a process to estimate the contract year true-up by the end of the contract year. Therefore, in 2007, an estimated true-up of approximately \$38,900 for the 2007 contract year has been recorded at year end 2007 and will be subject to finalization in 2008. This true-up has been recorded as a change in estimate in 2007 and the net impact after taxes was an increase to net income and surplus in 2007 of approximately \$25,300. In April 2008, the Company and its affiliate settled in cash the final true-up amount for the 2007 contract year. It was not materially different than the Company's estimated true-up as recorded in 2007. Refer to Note 10 for additional discussion.

In 2008, the Company corrected a balance in its current federal income tax recoverable that was established in a prior period, but was unsubstantiated based upon further research. As a result, the Company's 2007 current federal income tax recoverable (Statutory Statement of Assets page, Line 16.1, Column 3) and unassigned surplus (Statutory Statement of Liabilities, Capital and Surplus page, Line 29, Column 3) were overstated by \$1,475. Line 4702 on the Statutory Statement of Revenue and Expenses (Continued) page has been adjusted to correct the error in the reporting of current federal income tax recoverable and unassigned surplus.

During the second quarter of 2008, the Company discovered additional information related to the payment of claims against the claims unpaid balance at December 31, 2007. Due to this new information, the Company recorded an increase to its claims unpaid in the amount of \$110,500 (before taxes). Lines 4701 and 4703 on the Statement of Revenue and Expenses (continued) page have been adjusted in the current year to correct this error.

3. Business combinations and goodwill

The Company was not a part of any business combinations that involved the statutory purchase method, a statutory merger, or an impairment loss in the years ending December 31, 2008 and 2007.

4. Discontinued operations

The Company has withdrawn from the market effective December 31, 2007. The Company provided such information to the Michigan Office of Financial and Insurance Services on November 7, 2006 pursuant to M.C.L.A. Section 500.3712.

5. Investments

- A. The Company did not have any mortgage loans at December 31, 2008 or 2007.
- B. The Company did not have any debt restructuring in the years ending December 31, 2008 and 2007.
- C. The Company did not have any reverse mortgages at December 31, 2008 or 2007.
- D. Loan-Backed Securities
 - 1. Not Applicable
 - 2. Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from industry market sources.
 - 3. The Company made no changes from the retrospective to the prospective adjustment methodology.
- E. The Company did not have any repurchase agreements at December 31, 2008 or 2007.
- F. The Company did not have any real estate at December 31, 2008 or 2007.
- G. The Company did not have any low-income housing tax credits at December 31, 2008 or 2007.

6. Joint ventures, partnerships, and limited liability companies

The Company did not have any joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets at December 31, 2008 or 2007.

7. Investment income

There was no Investment income due and accrued with amounts that are over 90 days old at December 31, 2008 or 2007.

8. Derivative instruments

The Company did not have any derivative instruments at December 31, 2008 or 2007.

9. Income taxes

A. The components of the net deferred tax assets recognized in the Company's Statements of Assets, Liabilities, Capital and Surplus at December 31, 2008 and 2007 were as follows:

	December 31	
	2008	2007
Gross deferred tax assets	\$480	\$16,278
Gross deferred tax liabilities	(6,063)	(11,318)
Net deferred tax asset	(5,583)	4,960
Less: Deferred tax asset nonadmitted	-	-
Net admitted deferred tax asset	(5,583)	4,960
Decrease (increase) in nonadmitted asset	-	-

B. There are no deferred tax liabilities that were not recognized at December 31, 2008 or 2007.

C.1 The provisions (benefit) for income taxes for the years ended December 31, 2008 and 2007 were as follows:

	2008	2007
Federal income tax on operations	\$4,677	\$(54,054)
Federal income tax benefit on net capital gains	4	(37)
Federal income taxes incurred	\$4,681	\$(54,091)

C.2 The tax effects of temporary differences that gave rise to deferred tax assets and liabilities at December 31, 2008 and 2007 were as follows:

	December 31	
	2008	2007
Deferred tax assets:		
Claims unpaid	\$60	\$2,220
Uncollected premiums - nonadmitted	-	2,879
Unearned premium	420	623
Individual conversion reserve	-	10,514
Other	-	42
Gross deferred tax assets	480	16,278
Nonadmitted deferred tax assets	-	-
Admitted deferred tax assets	480	16,278
Deferred tax liabilities:		
Allowance for billing adjustment	-	459
Individual conversion reserve	5,035	10,069
Other	1,028	790
Gross deferred tax liabilities	6,063	11,318
Net admitted deferred tax assets	\$(5,583)	\$4,960

The change in net deferred income taxes in 2008 was comprised of the following:

	December 31		
	2008	2007	Change
Gross deferred tax assets	\$480	\$16,278	\$(15,798)
Less: Gross deferred tax liabilities	(6,063)	(11,318)	5,255
Net deferred tax asset	\$(5,583)	\$4,960	(10,543)
Less: Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			\$(10,543)

D. The provision for Federal income taxes is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The items causing this difference were as follows:

	December 31, 2008	Effective tax rate	December 31, 2007	Effective tax rate
Provision computed as statutory rate	\$93,756	35.0%	\$43,093	35.0%
Change in nonadmitted assets	2,880	1.1%	4,206	3.4%
2006 IRS adjustment - Section 482 adjustment	(56,846)	(21.2)%	-	-
2007 true-up, including Section 482 adjustment	(24,566)	(9.2)%	-	-
Total	\$15,224	5.7%	\$47,299	38.4%
Federal and foreign income taxes incurred	\$4,681	1.7%	\$(54,091)	(43.9)%
Change in net deferred income taxes	10,543	4.0%	101,390	82.3%
Total statutory income taxes	\$15,224	5.7%	\$47,299	38.4%

Beginning with the 2007 tax year, the Company entered into the Compliance Assurance Process ("CAP") with the Internal Revenue Service ("IRS"). Under the CAP, the IRS undertakes audit procedures during the tax year and as the return is prepared for filing. The IRS has concluded its CAP audit of the 2007 tax return as well as all the prior years. We expect that the IRS will conclude its CAP audit of the 2008 tax year during 2009.

In 2008, the Company agreed with the IRS on an adjustment to its 2006 taxable income, pursuant to Section 482 of the Internal Revenue Code ("Section 482"). Furthermore, the Company is required to apply Section 482 in its determination of taxable income for 2007, 2008 and all future years. As a result, the Company applied Section 482 to its 2007 income tax return, which was filed in 2008. The tax effect of applying Section 482 to the Company's 2006 through 2008 taxable income has been reflected in the Company's 2008 tax provision.

E.1 At December 31, 2008, the Company had no net capital loss or net operating loss carryforwards for tax purposes.

E.2 The amount of Federal income taxes incurred that is available for recoupment in the event of future net losses is \$47,397 for the year ended December 31, 2008. There are no Federal income taxes incurred that are available for recoupment in the event of future net losses for the year ended December 31, 2007.

E.3 The Company did not report any deposits as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code as of December 31, 2008 and 2007.

F.1 At December 31, 2008, the Company's Federal Income Tax Return was consolidated with the following entities:

Aetna Inc. - Parent Company	Aetna Health of Illinois Inc.
@ Credentials Inc.	Aetna Health of the Carolinas Inc.
Active Health Management, Inc.	Aetna Insurance Company of Connecticut
AE Fourteen, Incorporated	Aetna Integrated Informatics, Inc.
Aelan Inc.	Aetna IntelliHealth, Inc.
AET Health Care Plan, Inc. (TX)	Aetna Life and Casualty (Bermuda) Limited
AET Health Care Plan of California, Inc.	Aetna Life Assignment Company
Aetna/AREA Corporation	Aetna Life Insurance Company
Aetna Better Health Inc. (Connecticut)	Aetna Risk Indemnity Company, Limited
Aetna Criterion Communications, Inc.	AHP Holdings, Inc.
Aetna Dental Inc. (New Jersey)	AUSHC Holdings, Inc.
Aetna Dental Inc. (Texas)	BPC Equity Inc.
Aetna Dental of California Inc.	Broadspire National Services, Inc.
Aetna Family Plans of Georgia Inc.	Chickering Benefit Planning Insurance Agency, Inc.
Aetna Family Plans of Pennsylvania Inc.	Chickering Claims Administrators, Inc.
Aetna Health and Life Insurance Company	Cofinity, Inc.
Aetna Health Inc. (Arizona)	Delaware Physicians Care, Incorporated
Aetna Health Inc. (Colorado)	Delaware Physicians Care - Medicare, Incorporated
Aetna Health Inc. (Connecticut)	Goodhealth Worldwide Administrators Inc.
Aetna Health Inc. (Delaware)	Health Cost Consultants, Inc.
Aetna Health Inc. (Florida)	Health Data & Management Solutions, Inc.
Aetna Health Inc. (Georgia)	Integrated Pharmacy Solutions, Inc.
Aetna Health Inc. (Maine)	Luettgens Limited

Aetna Health Inc. (Maryland)	Managed Care Coordinators, Inc.
Aetna Health Inc. (Michigan)	Missouri Care, Incorporated
Aetna Health Inc. (Missouri)	NYLCare Health Plans, Inc.
Aetna Health Inc. (New Jersey)	SABH of Arizona, Incorporated
Aetna Health Inc. (New York)	Sanus of New York and New Jersey, Inc.
Aetna Health Inc. (Oklahoma)	Schaller Anderson Behavioral Health, Incorporated
Aetna Health Inc. (Pennsylvania)	Schaller Anderson Medical Administrators,
Aetna Health Inc. (Tennessee)	Incorporated
Aetna Health Inc. (Texas)	Schaller Anderson of Delaware, Incorporated
Aetna Health Inc. (Washington)	Schaller Anderson, Incorporated
Aetna Health Information Solutions, Inc.	Sloan's Lake Management Corp.
Aetna Health Insurance Company	Strategic Resource Company
Aetna Health Insurance Company	Trumbull Four, Inc.
of New York	Trumbull One, Inc.
Aetna Health of California Inc.	U.S. Healthcare Properties, Inc.

F.2 As explained in Note 1, the Company participates in a tax sharing agreement with its parent and affiliates.

10. Information concerning parent, subsidiaries, affiliates, and related parties

As of and for the years ending December 31, 2008 and 2007, the Company had the following significant transactions with affiliates:

The Company and Aetna Health Management, LLC (“AHM”), indirectly a wholly-owned subsidiary of Aetna, are parties to an administrative services agreement, under which AHM provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company remits a percentage of its earned commercial, Medicaid and Medicare premium revenue, as applicable, to AHM as a fee, subject to an annual true-up mechanism as defined in the agreement. The Company did not pay administrative services fees in 2008. For these services, the Company was charged the following at December 31, 2007:

	<u>2007</u>
Administrative service fee	\$457,520
Prior contract year true-up	(66,356)
Current year estimated accrued true-up (See Note 2)	<u>(38,917)</u>
Total administrative service fee	<u>\$352,247</u>

This agreement also provides for interest on all intercompany balances. Interest incurred on amounts due to affiliates was \$54,426 in 2008 and \$324,687 in 2007. At December 31, 2008 and 2007, the Company reported \$131,883 and \$1,072,875, respectively, as amounts due to AHM related to this agreement. The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

The Company is a party to an agreement which enables the Company to receive manufacturers' pharmacy rebates from AHM under which the Company remits 10% of its earned pharmaceutical rebates to AHM as a fee. The Company earned pharmacy rebates of \$411 in 2008 and \$46,778 in 2007, which were recorded as a reduction of hospital and medical costs. The Company did not incur pharmaceutical rebate fees in 2008. The Company incurred pharmaceutical rebate fees, which was recorded as administrative expense, of \$4,678 in 2007. At December 31, 2008, the Company did not have amounts due from AHM related to pharmaceutical rebates. At December 31, 2007, the Company reported \$2,239 as amounts due from AHM related to pharmaceutical rebates which were reflected in health care and other amounts receivable. The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

The amounts reported on the Underwriting and Investment Exhibit, Part 3 represent the expenses incurred under the terms of the administrative agreement, allocated to the Company in accordance SSAP No. 70, "Allocation of Expenses". SSAP No. 70 states "shared expenses, including expenses under the terms of a management contract, shall be apportioned to the entities incurring the expense as if the expense had been paid solely by the incurring entity. The apportionment shall be completed based upon specific identification to the entity incurring the expense. Where specific identification is not feasible, apportionment shall be based upon pertinent factors or ratios." The Company allocates these expenses based upon a percentage calculated using actual general and administrative expenses incurred by AHM.

The Company has coverage for certain litigation exposures (\$10,000,000 per claim and in the aggregate including defense costs) through an affiliated captive insurance company.

The Company entered into an insolvency agreement with Aetna Health Insurance Company (“AHIC”) (formerly Corporate Health Insurance Company), a wholly-owned subsidiary of Aetna, effective January 1, 2008. This agreement was approved by the Michigan Office of Financial and Insurance Services. This agreement provides that in the event that the Company ceases operations or becomes insolvent, AHIC will continue to pay benefits for any members confined as inpatients on the date of insolvency until their discharge. This agreement also provides that AHIC will continue benefits for any member until the end of the contract period for which premium has been paid, but for no longer than thirty-one days. AHIC will also make available to members, for a period of thirty-one days, replacement insurance policies.

As explained in Note 1, the Company participates in a tax sharing agreement with Aetna and Aetna's other subsidiaries. All Federal income tax receivables/payables were due from/due to Aetna.

The Company was a party to a specific excess loss reinsurance agreement with AHIC. This agreement provided for the Company to be reimbursed for 100% of eligible losses, as defined, paid on behalf of any insured during the policy period. Reimbursement was subject to a specific deductible of \$500,000. The policy period was defined as the twelve month period beginning on the effective date of this agreement. The Company had no reinsurance recoverables in 2007. At December 31, 2007, the Company reported \$538 as ceded reinsurance premiums payable to AHIC related to this agreement. The Company paid reinsurance premiums of \$8,886 in 2007. There were no reinsurance recoveries in 2008 or 2007. This agreement was terminated effective December 31, 2007. The termination was approved by the Michigan Office of Financial and Insurance Services on December 13, 2007.

At December 31, 2008 and 2007, the Company did not hold any investments in any affiliate did not own shares of any upstream intermediate or Aetna and did not make any guarantees for the benefit of an affiliate.

Amounts due to and due from affiliates shown on the accompanying Statutory Statements of Assets, Liabilities, Capital and Surplus include the Company's net receipts and disbursements processed by affiliates and management agreement transactions.

11. Debt

The Company did not have any debt at December 31, 2008 or 2007.

12. Retirement plans, deferred compensation postemployment benefits and compensated absences and other postretirement benefit plans

The Company did not have a retirement plan, deferred compensation plan, or other postretirement benefit plan at December 31, 2008 or 2007.

13. Capital and surplus, shareholders' dividend restrictions and quasi-reorganizations

The Company has 5,000 shares of common stock with \$.01 par value authorized, 1,000 shares issued and outstanding at December 31, 2008 and 2007.

The Company has 50 shares of preferred stock with \$.01 par value authorized, no shares issued and outstanding at December 31, 2008 and 2007.

Dividend restrictions

Shareholder dividends shall be declared or paid only from earned surplus, unless the Commissioner approves the dividend prior to payment. Dividends not requiring prior approval are limited to the greater of 10% of the insured's surplus as regards policyholders as of December 31 of the immediately preceding year, or the net income, not including realized capital gains, for the 12 month period ending December of the immediately preceding year. Ordinary dividends are ultimately limited to earned surplus.

The Company paid \$1,500,000 as an extraordinary dividend to its parent, all of which constituted a return of capital, on December 3, 2008. The Michigan department approved this distribution on November 10, 2008. The Company did not pay dividends in 2007. The Company did not receive capital contributions in 2008 or 2007.

At December 31, 2008, there was no portion of the Company's profits that may be paid as ordinary dividends to stockholders.

There were no restrictions placed on the Company's surplus, including for whom the surplus was being held at December 31, 2008 or 2007, except as noted in Note 20.

The Company did not hold any stock for any special purposes at December 31, 2008 or 2007.

At December 31, 2008, there was no portion of unassigned funds (surplus) that was represented or reduced by unrealized gains and (losses).

The Company did not have any special surplus funds, surplus notes, or quasi-reorganizations at December 31, 2008 or 2007.

14. Contingencies

- A. The Company did not have any contingent commitments at December 31, 2008 or 2007.
- B. The Company did not have any contingent assessments at December 31, 2008 or 2007.
- C. The Company did not have any gain contingencies at December 31, 2008 or 2007.

D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2008 or 2007.

E. All other contingencies

Litigation and regulatory proceedings

Aetna and its subsidiaries, including the Company, are involved in numerous lawsuits arising, for the most part, in the ordinary course of their business operations, including employment litigation and claims of bad faith, medical malpractice, non-compliance with state and federal regulatory regimes, marketing misconduct, failure to timely or appropriately pay medical claims, investment activities, patent infringement and other intellectual property litigation and other litigation in their health care and group insurance businesses. Some of these other lawsuits are or are purported to be class actions. Aetna and its subsidiaries, including the Company, intend to defend these matters vigorously.

In addition, the current and past business practices of Aetna and its subsidiaries, including the Company, are subject to review by, and from time to time they receive subpoenas and other requests for information from, various state insurance and health care regulatory authorities and attorneys general and other state and federal authorities. There also continues to be heightened review by regulatory authorities of, and increased litigation regarding, the health care benefits industry's business and reporting practices, including utilization management, complaint and grievance processing, information privacy, provider network structure (including the use of performance-based networks), delegated arrangements and claim payment practices (including payments to out-of-network providers). As a leading national health care benefits organization, Aetna and its subsidiaries, including the Company, regularly are the subject of such reviews. These reviews may result, and have resulted, in changes to or clarifications of the business practices of Aetna and its subsidiaries, including the Company, as well as fines, penalties or other sanctions.

The Company is unable to predict at this time the ultimate outcome of these matters, and it is reasonably possible that their outcome could be material to the financial position and/or results of operations of the Company.

15. Leases

The Company did not have any material lease obligations at December 31, 2008 or 2007.

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk

The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk at December 31, 2008 or 2007.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities

A. Transfers of receivables reported as sales

The Company did not have any transfers of receivables as sales for the years ending December 31, 2008 and 2007.

B. Transfer and servicing of financial assets

1. Not applicable.

2. The Company's loaned securities as of December 31, 2008 were as follows:

Cusip	Security description	Par value shares	Collateral held	Security fair value	Collateral %	Is collateral restricted?
912795K67	United States Treasury Bills	\$1,250,000	\$1,275,000	\$1,249,807	102	Yes

3. Not applicable.

C. Wash sales

The Company did not have any wash sales for the years ending December 31, 2008 or 2007.

18. Gain or loss to the HMO from uninsured A&H plans and the uninsured portion of partially insured plans

The Company did not serve as an Administrative Services Only or as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the years ended December 31, 2008 and 2007.

19. Direct premium written/produced by managing general agents/third party administrators

The Company did not have any direct premiums written through/produced by managing general agents or third party administrators for the years ended December 31, 2008 and 2007.

20. Other items

A. Extraordinary items

The Company did not have any extraordinary items for the years ended December 31, 2008 and 2007.

B. Troubled debt restructuring: debtors

The Company did not have any troubled debt restructuring in the years ended December 31, 2008 and 2007.

C. Other disclosures

Minimum capital and surplus

Under the laws of the State of Michigan, for a health maintenance organization that contracts or employs providers in numbers sufficient to provide 90% of the health maintenance organization's benefit payout, minimum capital and surplus is the greatest of the following: 1) \$1,500,000, 2) four percent of the health maintenance organization's subscription revenue, or 3) three months' uncovered expenditures. At December 31, 2008 and 2007, the Company's capital and surplus exceeded all such requirements.

The NAIC and the State of Michigan adopted risk-based capital ("RBC") standards for health organizations, including HMOs, that are designed to identify weakly capitalized by comparing each company's adjusted capital and surplus to its required capital and surplus (the "RBC Ratio"). The RBC Ratio is designed to reflect the risk profile of the company. Within certain ratio ranges, regulators have increasing authority to take action as the RBC Ratio decreases. There are four levels of regulatory action, ranging from requiring insurers to submit a comprehensive plan to the state insurance commissioner to requiring the state insurance commissioner to place the insurer under regulatory control. At December 31, 2008 and 2007, the Company had capital and surplus that exceeded the highest threshold specified by the RBC rules.

D. The Company did not have any receivable balances due from insurance agents or brokers, and it does not have uninsured plans or retrospectively rated contracts at December 31, 2008 or 2007. Therefore, there were no balances for assets that would be reasonably possible to be uncollectible.

E. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2008 or 2007.

F. The Company did not have any state transferable tax credits for the years ending December 31, 2008 and 2007.

G. The Company did not have any hybrid securities at December 31, 2008 or 2007.

H. The Company did not have any subprime mortgage related risk exposures at December 31, 2008 or 2007.

21. Events subsequent

The Company did not have any material subsequent events.

22. Reinsurance

The Company did not have any reinsurance recoverables in dispute, reinsurance assumed, uncollectible reinsurance, commutation of ceded reinsurance, or retroactive reinsurance at December 31, 2008.

23. Retrospectively rated contracts and contracts subject to redetermination

The Company did not have any retrospectively rated contracts or contracts subject to redetermination in 2008 or 2007.

24. Change in claims unpaid, unpaid claims adjustment expense, and aggregate health claim reserves

The following table shows the components of the change in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves for the years ending December 31, 2008 and 2007.

(amounts in thousands)	2008	2007
Balance, January 1	\$439	\$550
Health care receivable	(2)	(6)
Balance, January 1, net of health care receivable	437	544
Incurred related to:		
Current year	-	3,756
Prior years	(194)	(158)
Total incurred	(194)	3,598
Paid related to:		
Current year	-	3,340
Prior years	234	365
Total paid	234	3,705
Balance, December 31, net of health care receivable	9	437
Health care receivable	-	2
Balance, December 31	\$9	\$439

In 2008, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years decreased by \$.2 million from \$.4 million in 2007 to \$.2 million in 2008. In 2007, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years decreased by approximately \$.2 million, from \$.5 million in 2006 to \$.3 million in 2007. The lower than anticipated health care cost trend rates observed in 2007 for claims incurred in 2006 were due to moderating outpatient and physician trends, and lower pharmacy trends. The lower than anticipated health care cost trend rates we observed in 2008 for claims incurred in 2007 were due to moderating inpatient, outpatient and primary care physician service trends. Historical health care cost trend rates are not necessarily representative of current trends. Therefore, the Company considers historical trend rates together with knowledge of recent events that may impact current trends when developing estimates of current trend rates. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. The Company excluded the impact of the change in health care receivables related to pharmacy rebates from the above roll-forward to conform to NAIC Annual Statement presentation.

Net coordination of benefits are implicit in the claims incurred but not reported calculation and could not be specifically identified.

25. Intercompany pooling arrangements

The Company did not have any intercompany pooling arrangements at December 31, 2008 or 2007.

26. Structured settlements

Not applicable to health entities.

27. Health care receivables

Pharmaceutical rebates

The Company receives pharmaceutical rebates through an agreement with AHM. AHM has contractual agreements with pharmaceutical companies for rebates, which cover the Company's membership as well as the membership of other Aetna affiliates. The Company receives those rebates from AHM that relate to the Company's membership. The Company estimates pharmaceutical rebates receivable based upon the historical payment trends, actual utilization and other variables. Actual rebates collected are applied to the collection periods below, using a first in first out methodology. At December 31, 2008, the Company did not have any pharmaceutical rebates receivables. At December 31, 2007, the Company had pharmaceutical rebates receivables of \$2,239.

The following table discloses the quarterly revenue and subsequent cash collections relating to the pharmaceutical rebates.

Quarter	Estimated pharmacy rebates as reported on financial statements	Pharmacy rebates as invoiced/ confirmed	Actual rebates collected within 90 days of invoicing/ confirmation	Actual rebates collected within 91 to 180 days of invoicing/ confirmation	Actual rebates collected more than 180 days after invoicing/ confirmation
12/31/2008	\$579	-	\$579 ¹	-	-
9/30/2008	-	-	-	-	-
6/30/2008	\$(995)	-	-	-	-
3/31/2008	\$827	\$(31)	\$(31)	-	-
12/31/2007	\$7,724	\$9,485	\$9,485	-	-
9/30/2007	\$10,546	\$9,896	\$9,896	-	-
6/30/2007	\$12,532	\$13,435	\$13,435	-	-
3/31/2007	\$15,976	\$13,945	\$13,945	-	-
12/31/2006	\$19,981	\$16,886	\$16,886	-	-
9/30/2006	\$10,985	\$17,738	\$17,738	-	-
6/30/2006	\$26,204	\$19,758	\$19,758	-	-
3/31/2006	\$17,991	\$23,813	\$23,813	-	-

¹ Represents a portion of the estimated rebates for the quarter ending December 31, 2008, which were paid by AHM to the Company prior to December 31, 2008 and invoicing in 2009.

Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2008 or 2007.

28. Participating policies

The Company did not have any participating policies at December 31, 2008 or 2007.

29. Premium deficiency reserves

The Company had no PDR at December 31, 2008 or 2007.

30. Anticipated salvage and subrogation

See discussion of Hospital and medical costs and claims adjustment expenses and related reserves in Note 1.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State regulating?

Michigan

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

N/A

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2007

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2007

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

01/06/2009

3.4

By what department or departments?

Michigan Office of Financial and Insurance Services

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [] No [] N/A [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes [] No [X]

4.12

renewals?

Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Co. Code	3 State of Domicile
N/A		

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

N/A

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,

7.21

State the percentage of foreign control

.....0.000 %

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1
Nationality

2
Type of Entity

N/A

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

N/A

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
N/A						

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

KPMG LLP, One Financial Plaza; 755 Main Street; Hartford, CT 06103

10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Peter K. Reilly, Valuation Actuary, Aetna Inc.; 980 Jolly Road, U12S; Blue Bell, PA 19422

11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

11.11

Name of real estate holding company

N/A

11.12

Number of parcels involved

.....0

11.13

Total book/adjusted carrying value

\$.....0

11.2

If yes, provide explanation.

N/A

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

12.	FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:		
12.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity? N/A		
12.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?	Yes []	No []
12.3	Have there been any changes made to any of the trust indentures during the year?	Yes []	No []
12.4	If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?	Yes []	No [] N/A [X]
13.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity; c. Compliance with applicable governmental laws, rules and regulations; d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and e. Accountability for adherence to the code.	Yes [X]	No []
13.11	If the response to 13.1 is No, please explain: N/A		
13.2	Has the code of ethics for senior managers been amended?	Yes []	No [X]
13.21	If the response to 13.2 is Yes, provide information related to amendment(s). N/A		
13.3	Have any provisions of the code of ethics been waived for any of the specified officers?	Yes []	No [X]
13.31	If the response to 13.3 is yes, provide the nature of any waiver(s). N/A		

BOARD OF DIRECTORS

14.	Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?	Yes [X]	No []
15.	Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?	Yes [X]	No []
16.	Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?	Yes [X]	No []

FINANCIAL

17.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?	Yes []	No [X]
18.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):		
18.11	To directors or other officers	\$.....	0
18.12	To stockholders not officers	\$.....	0
18.13	Trustees, supreme or grand (Fraternal only)	\$.....	0
18.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):		
18.21	To directors or other officers	\$.....	0
18.22	To stockholders not officers	\$.....	0
18.23	Trustees, supreme or grand (Fraternal only)	\$.....	0
19.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?	Yes []	No [X]
19.2	If yes, state the amount thereof at December 31 of the current year:		
19.21	Rented from others	\$.....	0
19.22	Borrowed from others	\$.....	0
19.23	Leased from others	\$.....	0
19.24	Other	\$.....	0
20.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?	Yes [X]	No []
20.2	If answer is yes:		
20.21	Amount paid as losses or risk adjustment	\$.....	0
20.22	Amount paid as expenses	\$.....	761
20.23	Other amounts paid	\$.....	0
21.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes []	No [X]
21.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount.	\$.....	0

INVESTMENT

22.1	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 22.3)?	Yes [X]	No []
22.2	If no, give full and complete information relating thereto. N/A		
22.3	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 16 where this information is also provided). See Note 17.B.2 of the Notes to Financial Statements		
22.4	Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes []	No [X]
22.5	If answer to 22.4 is yes, report amount of collateral.	\$.....	0
22.6	If answer to 22.4 is no, report amount of collateral.	\$.....	1,275,000
23.1	Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3)	Yes [X]	No []

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements

23.22 Subject to reverse repurchase agreements

23.23 Subject to dollar repurchase agreements

23.24 Subject to reverse dollar repurchase agreements

23.25 Pledged as collateral

23.26 Placed under option agreements

23.27 Letter stock or securities restricted as to sale

23.28 On deposit with state or other regulatory body

23.29 Other
- \$.....0

\$.....0

\$.....0

\$.....0

\$.....0

\$.....0

\$.....0

\$.....1,096,446

\$.....0

23.3 For category (23.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount
N/A		

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.
- Yes []

No [X]

Yes []

No []

N/A [X]

- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- Yes []

No [X]

\$.....0

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
- Yes [X]

No []

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
State Street Bank and Trust Company	225 Franklin St., Boston, MA 02110

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
All agreements comply.		

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?
- Yes []

No [X]

26.04 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
N/A			

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
N/A		

- 27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?
- Yes []

No [X]

27.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adj.Carrying Value
	None	
27.2999. TOTAL		0

27.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation
N/A			

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds.....	.....3,746,355	.....3,900,557	.....154,202
28.2 Preferred stocks.....			.....0
28.3 Totals.....	.....3,746,355	.....3,900,557	.....154,202

- 28.4 Describe the sources or methods utilized in determining the fair values:
Fair values are determined based on quoted market prices when available, market prices provided by a third party vendor (including matrix pricing) or dealer quotes. Short-term investments are carried at amortized cost which approximates fair value.

- 29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- Yes [X]

No []

- 29.2 If no, list exceptions:
- N/A

OTHER

- 30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?
- 30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.
- \$.....0

1	2
Name	Amount Paid
N/A	

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 31.1 Amount of payments for legal expenses, if any? \$.....109
- 31.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
N/A	

- 32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0
- 32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
N/A	

Statement as of December 31, 2008 of the **Aetna Health Inc. (a Michigan corporation)**
GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [☐]

No [☒ X]

1.2

If yes, indicate premium earned on U.S. business only

\$.....0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$.....0

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$.....0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$.....0

1.62

Total incurred claims

\$.....0

1.63

Number of covered lives

.....0

All years prior to most current three years:

1.64

Total premium earned

\$.....0

1.65

Total incurred claims

\$.....0

1.66

Number of covered lives

.....0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$.....0

1.72

Total incurred claims

\$.....0

1.73

Number of covered lives

.....0

All years prior to most current three years:

1.74

Total premium earned

\$.....0

1.75

Total incurred claims

\$.....0

1.76

Number of covered lives

.....0

2.

Health test:

2.1

Premium Numerator.....

(19,898)

3,520,525

2.2

Premium Denominator.....

(19,898)

3,520,525

2.3

Premium Ratio (2.1/2.2).....

100.0

100.0

2.4

Reserve Numerator.....

8,563

353,656

2.5

Reserve Denominator.....

8,563

353,656

2.6

Reserve Ratio (2.4/2.5).....

100.0

100.0

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, and if the earnings of the reporting entity permits?

Yes [☐]

No [☒ X]

3.2

If yes, give particulars:

N/A

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [☐]

No [☒ X]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [☐]

No [☒ X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [☐]

No [☒ X]

5.2

If no, explain:

The Company does not have stop loss reinsurance.

5.3

Maximum retained risk (see instructions):

5.31

Comprehensive medical

\$.....0

5.32

Medical only

\$.....0

5.33

Medicare supplement

\$.....0

5.34

Dental and vision

\$.....0

5.35

Other limited benefit plan

\$.....0

5.36

Other

\$.....0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts contain hold harmless and continuity of coverage provisions.

In addition, the HMO maintains an insolvency protection agreement with an affiliate of the HMO.

7.1

Does the reporting entity set up its claim liability for provider services on a service date base?

Yes [☒ X]

No [☐]

7.2

If no, give details:

N/A

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

.....10,639

8.2

Number of providers at end of reporting year

.....3,162

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [☐]

No [☒ X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$.....0

9.22

Business with rate guarantees over 36 months

\$.....0

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts?

Yes [☐]

No [☒ X]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$.....0

10.22

Amount actually paid for year bonuses

\$.....0

10.23

Maximum amount payable withholds

\$.....0

10.24

Amount actually paid for year withholds

\$.....0

Statement as of December 31, 2008 of the **Aetna Health Inc. (a Michigan corporation)**
GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

11.13 An Individual Practice Association (IPA), or

11.14 A Mixed Model (combination of above)?

Yes [☐]

No [☒]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [☒]

No [☐]

11.3 If yes, show the name of the state requiring such net worth.

Michigan

11.4 If yes, show the amount required.

\$.....1,500,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [☐]

No [☒]

11.6 If the amount is calculated, show the calculation:

See Notes to Financial Statements - Note 20, Other Items, C., Other Disclosures

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Macomb, St. Clair, Wayne
Partial: Monroe, Oakland

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

FIVE-YEAR HISTORICAL DATA

	1 2008	2 2007	3 2006	4 2005	5 2004
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26).....	3,850,848	6,416,114	7,761,773	6,314,213	8,111,139
2. Total liabilities (Page 3, Line 22).....	189,048	1,441,892	2,955,384	1,897,769	3,956,553
3. Statutory surplus.....	1,500,000	1,500,000	3,000,000	3,000,000	3,000,000
4. Total capital and surplus (Page 3, Line 31).....	3,661,800	4,974,222	4,806,389	4,416,444	4,154,586
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	(19,898)	3,521,360	6,135,417	7,844,661	9,402,551
6. Total medical and hospital expenses (Line 18).....	(83,770)	3,414,970	4,722,352	6,787,475	7,083,133
7. Claims adjustment expenses (Line 20).....	0	71,714	107,985	156,976	191,398
8. Total administrative expenses (Line 21).....	56,239	621,417	908,579	960,120	1,121,522
9. Net underwriting gain (loss) (Line 24).....	37,673	(329,872)	268,395	160,605	627,180
10. Net investment gain (loss) (Line 27).....	230,198	563,532	334,376	233,535	235,938
11. Total other income (Lines 28 plus 29).....	0	0	0	0	0
12. Net income or (loss) (Line 32).....	263,194	249,039	340,325	320,070	491,164
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(124,761)	(318,736)	260,774	(10,242)	851,529
Risk-Based Capital Analysis					
14. Total adjusted capital.....	3,661,800	4,974,222	4,806,389	4,416,444	4,154,586
15. Authorized control level risk-based capital.....	14,756	505,975	500,800	501,061	501,636
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	0	768	1,710	2,313	2,941
17. Total member months (Column 6, Line 7).....	3	12,694	22,136	31,143	38,376
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)....	421.0	97.0	77.0	86.5	75.3
20. Cost containment expenses.....	0.0	0.7	0.6	0.7	0.6
21. Other claims adjustment expenses.....	0.0	1.3	1.2	1.3	1.4
22. Total underwriting deductions (Line 23).....	289.3	109.4	95.6	98.0	93.3
23. Total underwriting gain (loss) (Line 24).....	(189.3)	(9.4)	4.4	2.0	6.7
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	237,607	378,192	563,521	1,150,292	1,286,919
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	321,377	531,742	742,944	1,093,096	1,494,550
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 25, Col. 1).....	0	0	0	0	0
27. Affiliated preferred stocks (Sch D. Summary, Line 39, Col. 1).....	0	0	0	0	0
28. Affiliated common stocks (Sch D. Summary, Line 53, Col. 1).....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....	0	0	0	0	0
30. Affiliated mortgage loans on real estate.....	0	0	0	0	0
31. All other affiliated.....	0	0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0

Statement as of December 31, 2008 of the Aetna Health Inc. (a Michigan corporation)

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama.....	AL...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
2.	Alaska.....	AK...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
3.	Arizona.....	AZ...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.	Arkansas.....	AR...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.	California.....	CA...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.	Colorado.....	CO...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.	Connecticut.....	CT...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.	Delaware.....	DE...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.	District of Columbia.....	DC...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
10.	Florida.....	FL...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
11.	Georgia.....	GA...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
12.	Hawaii.....	HI...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
13.	Idaho.....	ID...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
14.	Illinois.....	IL...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
15.	Indiana.....	IN...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
16.	Iowa.....	IA...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
17.	Kansas.....	KS...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
18.	Kentucky.....	KY...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
19.	Louisiana.....	LA...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
20.	Maine.....	ME...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
21.	Maryland.....	MD...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
22.	Massachusetts.....	MA...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
23.	Michigan.....	MI...L.....	.....(19,898)	.....0	.....0	.....0	.....0	.....0	.....(19,898)	.....0
24.	Minnesota.....	MN...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
25.	Mississippi.....	MS...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
26.	Missouri.....	MO...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
27.	Montana.....	MT...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
28.	Nebraska.....	NE...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
29.	Nevada.....	NV...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
30.	New Hampshire.....	NH...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
31.	New Jersey.....	NJ...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
32.	New Mexico.....	NM...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
33.	New York.....	NY...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
34.	North Carolina.....	NC...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
35.	North Dakota.....	ND...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
36.	Ohio.....	OH...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
37.	Oklahoma.....	OK...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
38.	Oregon.....	OR...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
39.	Pennsylvania.....	PA...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
40.	Rhode Island.....	RI...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
41.	South Carolina.....	SC...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
42.	South Dakota.....	SD...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
43.	Tennessee.....	TN...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
44.	Texas.....	TX...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
45.	Utah.....	UT...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
46.	Vermont.....	VT...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
47.	Virginia.....	VA...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
48.	Washington.....	WA...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
49.	West Virginia.....	WV...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
50.	Wisconsin.....	WI...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
51.	Wyoming.....	WY...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
52.	American Samoa.....	AS...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
53.	Guam.....	GU...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
54.	Puerto Rico.....	PR...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
55.	U.S. Virgin Islands.....	VI...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
56.	Northern Mariana Islands.....	MP...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
57.	Canada.....	CN...N.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58.	Aggregate Other alien.....	OT...XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Subtotal.....	XXX.....	.....(19,898)	.....0	.....0	.....0	.....0	.....0	.....(19,898)	.....0
60.	Reporting entity contributions for Employee Benefit Plans.....	XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
61.	Total (Direct Business).....	(a).....1	.....(19,898)	.....0	.....0	.....0	.....0	.....0	.....(19,898)	.....0

DETAILS OF WRITE-INS

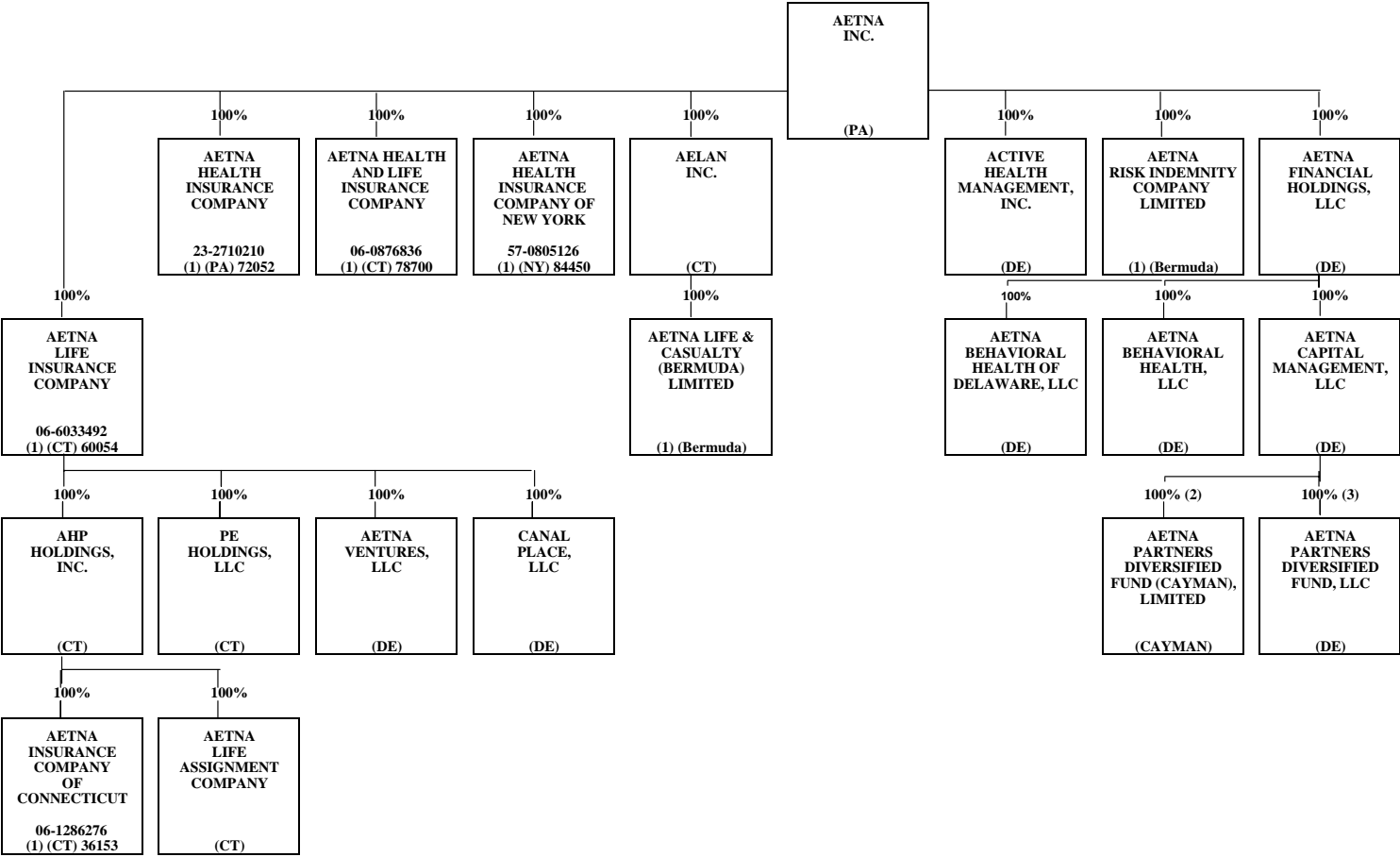
5801. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5802. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5803. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5898. Summary of remaining write-ins for line 58.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5899. Total (Lines 5801 thru 5803 + 5898) (Line 58 above)....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



Reconciliation from 01/01/08 to 12/31/08:

- (a) Remove - Tanker Six, LLC
- (b) Add - Aetna Behavioral Health of Delaware, LLC (DE)
- (c) The name of Corporate Health Insurance Company was changed to Aetna Health Insurance Company.

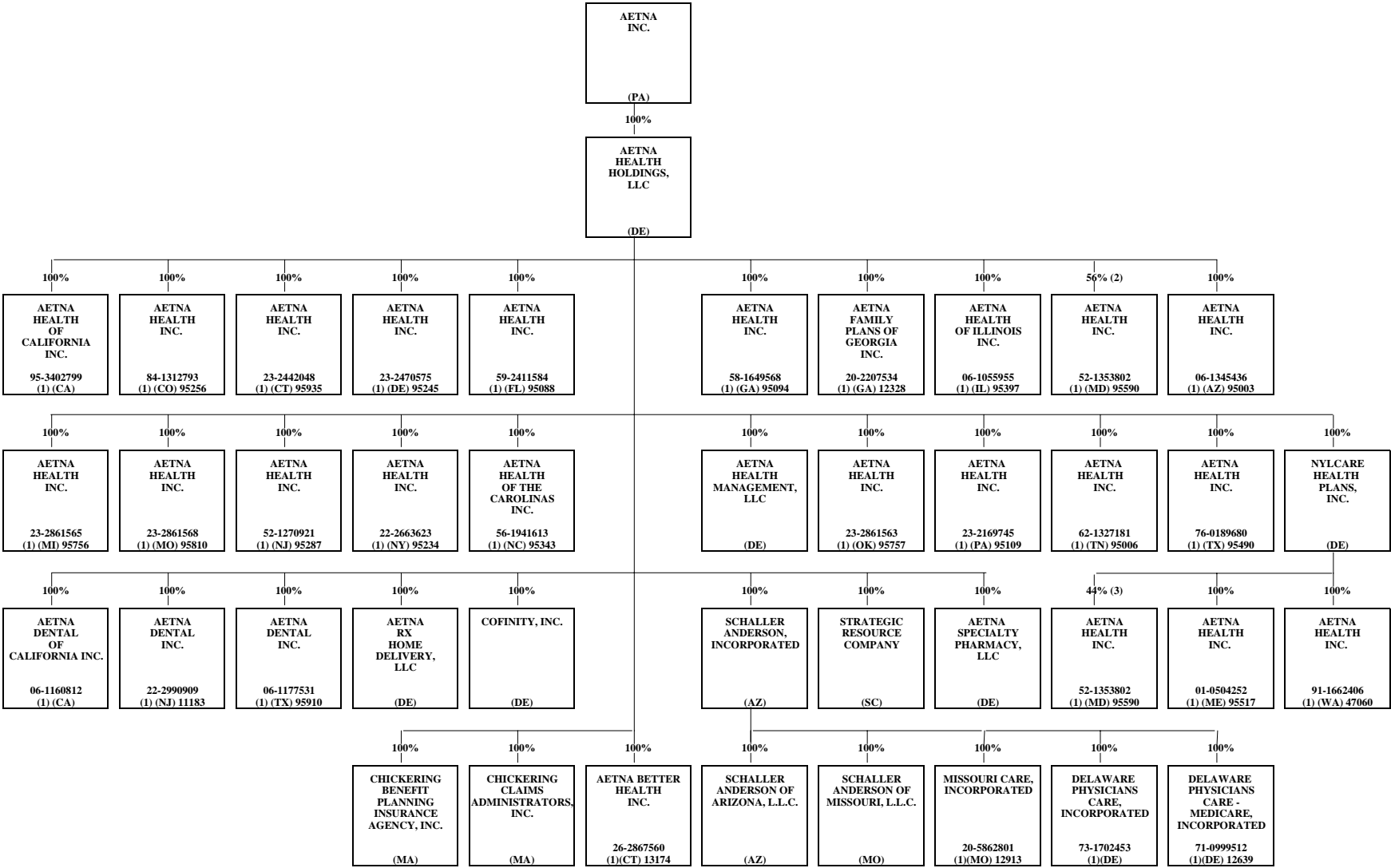
- (1) Insurers/HMO's
- (2) Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.
- (3) Aetna Life Insurance Company and Aetna Health and Life Insurance Company own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

Percentages are rounded to the nearest whole percent and are based on ownership of voting rights.

Statement as of December 31, 2008 of the **Aetna Health Inc. (a Michigan corporation)**

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



Reconciliation from 01/01/08 to 12/31/08:

- (a) Add - Aetna Better Health Inc. (CT)
- (b) Add - Schaller Anderson of Arizona, L.L.C. (AZ)
- (c) Add - Schaller Anderson of Missouri, L.L.C. (MO)
- (d) Add - Missouri Care, Incorporated (MO)
- (e) Add - Delaware Physicians Care, Incorporated
- (f) Add - Delaware Physicians Care - Medicare, Incorporated

- (1) Insurers/HMO's
- (2) NYLCare Health Plans, Inc. directly owns 44% of Aetna Health Inc. (MD)
- (3) Aetna Health Holdings, LLC directly owns 56% of Aetna Health Inc. (MD)

Percentages are rounded to the nearest whole percent and are based on ownership of voting rights.

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